

REMARKS

Claims 1-12, 14, 16-20, and 22-32 are pending in the present application, with claims 22-29 and 32 having been withdrawn from consideration, and independent claims 1, 14, 30 and 31 having been amended hereby. It is respectfully submitted that no new matter has been presented and no new issues have been raised by the present response.

The undersigned would like to thank the Examiner for his time and assistance during the telephone discussion of May 29, 2007.

Applicants respectfully acknowledge the indication that the drawings are acceptable.

Rejections Under 35 U.S.C. § 101

Claims 1-12, 14, 16-20, 30, and 31 were rejected under 35 USC § 101 as allegedly being directed to non-statutory subject matter.

The Office Action states that claims 1-12, 14, 16-20, 30, and 31 fail to satisfy the second and fourth requirements for statutory subject matter eligibility because they are "considered to be drawn merely to the production and/or manipulation of non-functional descriptive material, effecting no 'useful, concrete, and tangible result.'"

The Office Action further states that claims 1-12, 14, 16-20, 30, and 31 "fail to satisfy the third requirement for statutory subject matter eligibility because they are considered to preempt the underlying abstract idea, since they would foreclose others from substantially all practical applications of the same abstract idea." Applicants respectfully disagree.

The methods for increasing collections of the present application are implemented using a computer, as recited in amended independent claims 1, 14, 30, and 31.

Additionally, the methods for increasing collections of the present application recite:

- "determining a duration of working of the at least one set of debt," "approximating a cost of collection of the at least one set of debt," and "calculating at least one additional commission rate payable to the collection entity for collection of the set of debt," as recited in independent claim 1;
- "determining a duration of working of the at least one set of debt," "determining an approximate cost of debt collection," and "selecting a compensation

package from a plurality of compensation packages payable to a collection entity for the set of debt in accordance with the approximate cost of debt collection, the duration of working, and the collection model of the at least one set of debt, wherein the selecting a compensation package selects one or more of a fixed profit package, a single commission rate package and a plural commission rate package," as recited in independent claim 14;

- "determining a duration of working of the set of charged off credit card accounts," "determining an approximate cost for collection of the charged off credit card accounts," and "calculating a first commission rate and at least one additional commission rate payable to a collection agency for the set of charged off credit card accounts," as recited in independent claim 30;
- "determining a duration of working of the set of charged off credit card accounts," "determining an approximate cost of charged off credit card account collection," and "selecting a compensation package

from a plurality of compensation packages payable to a collection entity for the set of charged off credit card accounts in accordance with the approximate cost of charged off credit card account collection, the duration of working of the set of charged off credit card accounts, and the collection model of the set of charged off credit card accounts," as recited in independent claim 31.

It is respectfully submitted that the determining, calculating, and selecting steps, as recited in the independent claims and as set forth above, recite at least the production of "useful, concrete, and tangible" results, as also recited in the claims, and accordingly are directed to statutory subject matter under 35 U.S.C. § 101.

Additionally, it is respectfully submitted that at least one computer may be utilized in the various exemplary embodiments of the present application. As stated in the specification with respect to an exemplary embodiment, for instance, "[t]he modeling process is made more manageable by the segmentation of debt into small groups having similar characteristics and through the use of computers" (see specification, p. 5, lns. 11-12). Further, with respect to an exemplary embodiment, for instance, the specification states

that "[t]he above exemplary embodiments of the present invention are most efficient when implemented with a computer" (see id., p. 10, lns. 27-28).

In the section entitled "Response to Arguments," the Office Action states that recitations of "computer-implemented" and "using a computer" have not been given patentable weight because the recitations occur in the preambles (see Office Action, p. 8, lns. 6-13). The Office Action further states that "although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims" (see id., p. 9, lns. 1-5).

Independent claims 1, 14, 30, and 31 have been amended hereby, to include recitations of the use of at least one computer.

Withdrawal of the rejections under 35 U.S.C. § 101 is respectfully requested.

Rejections Under 35 U.S.C. § 102 and § 103

Claims 14, 18-20, and 31 were rejected under 35 U.S.C. § 102(a) as allegedly being anticipated by U.S. Patent No. 6,098,052 to Kosiba et al. (hereinafter "Kosiba"). Claims 1-12, 16-17, and 30 were rejected under 35 U.S.C. § 103(a) as

allegedly being unpatentable over "admitted prior art" including Kosiba.

As understood by Applicants, Kosiba relates to a computerized collection strategy model for use in collecting payments from delinquent accounts. The computerized collection strategy model estimates how much will be paid on each account in response to that collection strategy for each possible collection strategy, estimates the amount of resources to be expended in the execution of that collection strategy, and recommends a particular collection strategy for each account that optimizes the use of the available collection resources.

However, as understood by Applicants, Kosiba does not disclose or suggest teach or suggest every element recited in the independent claims of the present application, including at least:

- "segmenting, using at least one computer, debt into at least one set according to a plurality of characteristics of debtors associated with the debt," "determining a duration of working of the at least one set of debt," and "calculating at least one additional commission rate payable to the

collection entity for collection of the set of debt, wherein the plural commission rates are calculated in accordance with the cost of debt collection, the duration of working of the at least one set of debt, and the collection model of the at least one set of debt; and the first commission rate and the at least one additional commission rate are effective at different times during the duration of working of the at least one set of debt," as recited in amended independent claim 1;

- "segmenting, using at least one computer, debt into at least one set according to a plurality of characteristics of debtors associated with the debt," "determining a duration of working of the at least one set of debt," and "selecting a compensation package from a plurality of compensation packages payable to a collection entity for the set of debt in accordance with the approximate cost of debt collection, the duration of working, and the collection model of the at least one set of debt, wherein the selecting a compensation package selects one or more of a fixed

profit package, a single commission rate package and a plural commission rate package," as recited in amended independent claim 14;

- "calculating, using at least one computer, a first commission rate and at least one additional commission rate payable to a collection agency for the set of charged off credit card accounts, wherein the first and at least one additional commission rates are calculated in accordance with the cost of charged off credit card account collection, the duration of working of the set of charged off credit card accounts, and the collection model of the set of charged off credit card accounts," as recited in amended independent claim 30; and
- determining a duration of working of the set of charged off credit card accounts," and "selecting, using at least one computer, a compensation package from a plurality of compensation packages payable to a collection entity for the set of charged off credit card accounts in accordance with the approximate cost of charged off credit card account

collection, the duration of working of the set of charged off credit card accounts, and the collection model of the set of charged off credit card accounts, wherein the selecting a compensation package selects one or more of a fix profit package, a single commission rate package and a plural commission rate package," as recited in amended independent claim 31.

As understood by Applicants, Kosiba relates to a credit card collection strategy model, and discloses the optimization of the use of collection resources (see Kosiba, col. 1, lns. 51-60). The method of Kosiba groups consumers into a response category based upon a computed estimation of the consumers' response to a particular collection strategy using factors such as consumers' payment history, date of last payment, and delinquency history (see *id.*, col. 2, lns. 12-29). The consumers are thereby grouped with other consumers that are predicted to have a similar response to a collection strategy (see *id.*).

It is respectfully submitted that to anticipate a claim under 35 U.S.C. § 102(a), the reference must teach every element of the claim (see MPEP § 2131). Further, it is respectfully submitted that to establish *prima facie*

obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art (see MPEP § 2143.03).

It is submitted, however, that there is no disclosure or suggestion in Kosiba of a determination of a model, a cost, and of a duration of working, and calculation of plural commission rates payable to a collection entity, wherein the plural commission rates are calculated in accordance with the cost of collection, the duration of working, and the collection model, as recited in amended independent claims 1 and 30.

Further, there is no disclosure or suggestion in Kosiba of determining a model, a cost, and a duration of working, and selecting, using at least one computer, a compensation package from a plurality of compensation packages payable to a collection entity for the set of debt in accordance with the approximate cost of debt collection, the duration of working, and the collection model of the at least one set of debt, as recited in amended independent claims 14 and 31.

Additionally, there is no disclosure or suggestion in Kosiba of the first commission rate and the at least one additional commission rate being effective at different times during the duration of working of the at least one set of

debt, as recited, for instance, in amended independent claim 1.

The Office Action cites "[t]he admitted prior art" as allegedly disclosing the elements of claims 14, 18-20, and 31 (see Office Action, p. 5, ln. 24 to p. 6, ln. 5). The Office Action, however, does not set identify any relevant portions of Kosiba or other references as supporting such conclusions. It is respectfully submitted that "the relevant teachings of the prior art relied upon, preferably with reference to the relevant column or page number(s) and line number(s) where appropriate," should be set forth in the Office Action (see MPEP § 706.02(j)).

As understood by Applicants, Kosiba identifies a collection strategy and a population of individual consumers, and defines a response category (see Kosiba, col. 2, lns. 25-30). An estimate of an expected return is computed for a given collection strategy, and which collection strategy should be used on a particular delinquent account is determined (see *id.*, lns. 30-40). How collection resources should be divided among all delinquent accounts is determined, and which delinquent accounts should be targeted to minimize negative rolling and to maximize total collections is determined (see *id.*, lns. 41-46). The expected return of a

collection strategy is calculated, and when should delinquent accounts be dropped into collections is determined (see id., lns. 47-53).

It is submitted, however, that there is no disclosure or suggestion in Kosiba of calculation of plural commission rates payable to a collection entity, wherein the plural commission rates are calculated in accordance with the determined cost of collection, the duration of working, and the collection model, as recited in amended independent claims 1 and 30.

Further, there is no disclosure or suggestion in Kosiba of selecting, using at least one computer, a compensation package from a plurality of compensation packages payable to a collection entity in accordance with the determined approximate cost of debt collection, the duration of working, and the collection model of the at least one set of debt, as recited in amended independent claims 14 and 31.

Additionally, there is no disclosure or suggestion in Kosiba of the first commission rate and the at least one additional commission rate being effective at different times, as recited, for instance, in amended independent claim 1.

In the portion entitled "Response to Arguments," the Office Action states that "one cannot show nonobviousness by attacking references individually, where the rejections are based on combinations of references," and that "an argument

that Kosiba et al. fail to disclose setting plural commission rates payable to a collection entity for the set of debt is utterly non-responsive to the rejection under 35 U.S.C. 103(a), which plainly admits and addresses the argued omission" (see Office Action, p. 8, lns. 14-20). It is respectfully submitted, however, that the Office Action has not identified where such teachings may be found, in either Kosiba or in any other reference.

Accordingly, Applicants respectfully submit that independent claims 1, 14, 30, and 31 are patentable over the cited reference. Claims 2-12 depend from independent claim 1, and claims 16-20 depend from independent claim 14, and therefore are also believed to be patentable over the cited reference at least by virtue of their dependency from patentable independent claims.

Withdrawal of the rejections of claims 1-12, 14, 16-20, and 30-31 is respectfully requested.

This communication is believed to be fully responsive to the Office Action and the application is believed to be in condition for allowance.

If a telephone conference would be of assistance in advancing prosecution of the present application, the Examiner is respectfully invited to contact the undersigned at the telephone number provided below.

is respectfully invited to contact the undersigned at the telephone number provided below.

If any fee is due in connection with the present response, the Commissioner for Patents is hereby authorized to charge the requisite fee to our deposit account number 02-0393.

Prompt and favorable reconsideration is earnestly solicited.

Respectfully submitted,

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